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Report to: **Executive**
Date: **18 March 2008**
Report of: **Executive Member for Resources**
Subject: **Capital Programme 2007/2008 - Performance Monitoring**
Ward: **All**

1. Purpose of Report

1.1 This report has been prepared to advise the Executive of the progress made on delivering the 2007/2008 Capital Programme and contains details to the end of quarter 3.

2. Consultation

2.1 Management Team and all capital programme monitoring officers have been consulted in the preparation of this report.

3. Background

3.1 The gross capital programme agreed for 2007/2008 amounts to £15.44m comprising the allocation of £14.78m which was supplemented by £0.66m arising from carry forwards from 2006/2007.

3.2 The funding of the programme was agreed as follows:-

	£
Supported Capital Expenditure (Revenue) - SCE(R)	1,000,000
Supported Capital Expenditure Capital Grant - SCE(G)	743,000
Major Repairs Allowance	5,014,851
Capital Receipts - Housing Schemes	2,709,499
Capital Receipts - General Fund	4,962,419
Grants & Contributions	348,000
	14,777,769

3.3 This funding was allocated as follows and where applicable carry forwards from the 2006/2007 programme, additional grants/allocations and agreed virements have been included to comprise the gross 2007/2008 programme:-

	£	c/f 2006/07 & Additional Funding (£)	TOTAL £
ALMO Works - Decent Homes Works (EDH)	7,889,350	794,167	8,683,517
ALMO Works - Non Decent Homes Works (EDH)	460,000	350,000	810,000
HIP - Council Schemes	3,530,000	37,998	3,567,998
Other Services (Non Housing)	2,698,419	479,885	3,178,304
Contingency	200,000	0	200,000
	14,777,769	1,662,050	16,439,819

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Also included in these figures is an additional allocation of £1,000,000 which was released in quarter 3, into the ALMO Programme for Decent Homes and Aids and Adaptations.

4.0 Performance to December 2007

4.1 Analysis of expenditure committed for each of the main expenditure blocks within the programme is summarised in the table below. The year-end figures reflect the outcome of decisions by the Capital Programme Working Group to seek to maximise activity within the year. Please note the percentages shown are "Expenditure To Date" against "Available Funding".

	Available Funding (£)	Year End Forecast (£)	Expenditure To Date (£)	%age Spent
ALMO Works - Decent Homes Works (EDH)	8,683,517	8,608,515	5,927,211	68.3%
ALMO Works - Non Decent Homes Works (EDH)	810,000	885,000	406,061	50.1%
HIP - Council Schemes	3,567,998	2,733,998	1,770,211	49.6%
Other Services (Non Housing)	3,178,304	1,891,089	813,868	25.6%
Contingencies	200,000	0	0	0%
	15,439,819	14,118,602	8,917,352	57.8%

- 4.2 Analysis of these totals however does need to take into account that the commitment of Council resources is impacted upon by changes to certain external funding contributions being secured as well as the advancement of schemes requiring further development and negotiation. Some expenditure however has therefore been carried forward into 2008/2009 for which approvals have already been sought. These sums are ring fenced to specific areas of work/projects and in the main are linked to regeneration activity. Finance will therefore only be committed when projects come to fruition and as such the availability of funding for this type of activity is managed through the Councils Medium Term Financial Plan.
- 4.3 Therefore whilst at the end of the third quarter, the overall programme is at 57.8% of available funding, in light of a number of schemes, under the headings of "HIP Council Schemes" and "Other Services" being re-profiled into 2007/2008, the programme is achieving a performance of 63.2% of forecasted expenditure.
- 4.4 As a result of the Decent Homes schemes being undertaken at Deneside Seaham, Braithwaite Peterlee and Pony Fields Horden this year, 150 dwellings will be improved to Decent Homes Standard. Of these 101 have been completed to date with the remaining 49 well underway. Planned elemental renewals to windows and doors, heating and electrics have been undertaken to a further 1,600 properties to prevent them falling into higher levels of non-decency. In addition to these 5 number high cost sustainable voids across the District will be refurbished to Decent Homes Standard.
- 4.5 The Capital Programme Working Group undertakes continuous review of anticipated year-end expenditure outturn and expected levels of carry forward as part of the normal monitoring process. This exercise is intended to ensure that expenditure forecasts are as realistic as possible in light of the range of

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variables that can influence schemes being implemented within the financial year.

- 4.6 As part of this monitoring process it has been reported to the Capital Programme Working Group that the tender sum relating to the building of the Novus Business Centre (£2,044,746) will be exceeded by £54,081 which is in excess of the allowances stipulated within the Council's Financial Regulations (£20,000 for contract in excess of £500,000). There are however no financial implication for the Council as this amount can be met from overall financial package for this project. Members are therefore requested to note this information.
- 4.7 Appended to the report is a summary of the progress that has been achieved under each element of the programme. East Durham Homes (Appendix 1) and HIP Council Schemes and Other Services (Appendix 2).
- 4.8 Appendix 3 provides a detailed financial analysis of the position at the end of December.
- 4.9 It should be noted that a half year review was undertaken at the end of September but no savings were identified at that time nor were there any requests for additional funding.

5. Implications

Financial

- 5.1 The financial implications are contained within the main body of the report.

Legal

- 5.2 None

Risk

- 5.3 A risk assessment has been completed and the necessary actions required to manage the identified risks have been/will be implemented.

Communications

- 5.4 Press releases will be arranged at the appropriate time to highlight the successes achieved in delivering the 2007/2008 programme and will include percentage outturn figures against original targets.

Corporate Plan and Priorities

- 5.5 The 2007/2008 Capital Programme is aligned to the Council's objectives and agreed priorities. The main thrust of the programme is towards decent homes/affordable housing and regeneration issues.

Performance Management and Scrutiny

- 5.6 The Capital Programme is monitored on a monthly basis with financial reports being submitted to the Capital Programme Working Group and the Executive. In addition quarterly reports on performance are also prepared.

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Electronic Service Delivery

- 5.7 Work is ongoing under the heading of E-Government and addresses implications of meeting the Council's IEG6 Strategy.

Procurement

- 5.8 The programme is being delivered in accordance with the Council's Procurement Strategy and Code of Practice.

Equality and Diversity/Social Inclusion

- 5.9 The Capital Programme includes a number of schemes that will assist to:-
- a) improve access to facilities for people with a disability
 - b) renew communication facilities to care for older people
 - c) support the E-government strategy to address accessibility to services

Local Government Review

- 5.10 Arising from the Secretary of State for Communities and Local Government decision to seek to establish a single all purpose authority for County Durham from April 2009, this Authority has developed a three year Capital Programme which commits identified resources to schemes over the period 2008/2009 to 2010/2011 so as to provide some increased certainty of funding for the development of priority schemes going forward.
- 5.11 A copy of the report together with the Council's Capital Expenditure Statement is to be forwarded to Durham County Council in relation to the planning for the introduction of a single all-purpose authority for County Durham from April 2009.

6. RECOMMENDATIONS

- 6.1 The Executive is recommended to:-
- 1) Note the position statement to the end of quarter 3 on the 2007/2008 Capital Programme.

Background Papers

Financial monitoring forms - held electronically (H Drive)

Monitoring Officers Performance monitoring reports - held electronically by E:mail